

Representative Rebecca D. Lockhart proposes the following substitute bill:

1 **RECOVERY OF ADMINISTRATIVE FEE FOR**
2 **DAMAGES SUSTAINED TO A RENTAL MOTOR**
3 **VEHICLE**

4 2003 GENERAL SESSION
5 STATE OF UTAH

6 **Sponsor: Rebecca D. Lockhart**

7 **This act modifies the Insurance Code to authorize a vehicle rental company to charge an**
8 **administrative fee for damage sustained to a rental vehicle. This act allows the collection**
9 **of ~~h~~ [am] A REASONABLE ~~h~~ administrative fee that vehicle rental companies may charge to**
9a **offset the expenses**
10 **incurred for collecting and resolving a damage claim on a rental vehicle. This act adds**
11 **the administrative fee and any diminution in value to the definition of damage to a rental**
12 **vehicle.**

13 This act affects sections of Utah Code Annotated 1953 as follows:

14 AMENDS:

15 **31A-22-311**, as last amended by Chapter 316, Laws of Utah 1994

16 *Be it enacted by the Legislature of the state of Utah:*

17 Section 1. Section **31A-22-311** is amended to read:

18 **31A-22-311. Definitions.**

19 As used in Sections 31A-22-312 and 31A-22-314:

20 (1) "Administrative fee" means a fee collected by a vehicle rental company to offset
21 expenses incurred in administrating the collection and resolution of a claim.

22 ~~[(1)]~~ (2) "Authorized driver" means the person to whom the vehicle is rented and
23 includes:

24 (a) his spouse if a licensed driver satisfying the rental company's minimum age
25 requirement;



26 (b) his employer or coworker if engaged in business activity with the renter and if they
27 are licensed drivers satisfying the rental company's minimum age requirement;

28 (c) any person who operates the vehicle during an emergency situation;

29 (d) any person who operates the vehicle while parking the vehicle at a commercial
30 establishment; or

31 (e) any person expressly listed by the rental company on the rental agreement as an
32 authorized driver.

33 [~~2~~] (3) "Damage" means any damage or loss to the rented vehicle [~~resulting from a~~
34 ~~collision;~~] including:

35 (a) loss of use [~~and~~];

36 (b) any costs and expenses incident to the damage or loss[-];

37 (c) ~~h~~ [~~an~~] **A REASONABLE h** administrative fee associated with the loss; and

38 (d) any diminution of value of the rental vehicle as a result of the damage or loss.

39 [~~3~~] (4) "Rental agreement" means any written agreement stating the terms and
40 conditions governing the use of a private passenger motor vehicle provided by a rental
41 company.

42 [~~4~~] (5) "Rental company" means any person or organization in the business of
43 providing private passenger motor vehicles to the public.

44 [~~5~~] (6) "Renter" means any person or organization obtaining the use of a private
45 passenger motor vehicle from a rental company under the terms of a rental agreement.

Fiscal Note**Bill Number HB0328s1****Recovery of Administrative Fee for Damages Sustained to a Rental
Motor Vehicle***25-Feb-03**6:26 PM*

State Impact

No fiscal impact.

Individual and Business ImpactAuto renters may experience increases in premiums to cover the expanded definition of "damages."

Office of the Legislative Fiscal Analyst